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THE KINGDOM OF SHYLOCK

By FRANK ANSTEY, M.P.

The WAR LOAN and The WAR TAX



Mine Verd! Mine Verd! Much shentage on me vestments and no Vor Tax on mein income.

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1917.

Banks and Bankers.

Whether a new industrial concern shall be established or an old one enlarged—whether a universal provider shall receive an increase of capital in order to extend business—all this is now decided in the private offices of banks or bankers. All undertakings in the field of industry are now dependent upon the consent of the banker.

The Stock Exchange activities of the banks are becoming more and more the controlling force in every department of economic life.

Modern Capitalism is the child of money lending.

Money lending contains the root idea of Capitalism.

In money lending there is no thought of production.

In money lending economic activity has no meaning.

In money lending the possibility is for the first time illustrated that you can earn without sweating—that you may get others to work for you without recourse to force.

—(Werner Sombart in "The Jews and Modern Capitalism.")

THE KINGDOM OF SHYLOCK.

By FRANK ANSTEY, M.P.

"Love of Country."

> Romford, Essex,
> May 30, 1915.
>
> I look out over this beautiful, delightful country, and I wonder if it is really true that there is so much bloodshed and horror in the world. Yet, last night by my window went the wounded westward, and this day, as for months past, go brave men eastward to the slaughter, and the Jews are making much money.
>
> *(Mother in England to her son in Australia)*

Where is the Englishman who does not love the land of his nativity? Where is the one who, in the hour of struggle, does not forget all that is bestial in her cities and remember only all that is beautiful in the things left undefiled?

Hills and dales, rolling downs and valleys, woodlands and meadowlands, brooks and streams that yet flow untainted to the sea, daisies and primroses wild growing in the untilled pastures, blackbirds and thrushes, finches and linnets warbling in the hedges, the lark up yonder in the sky—these pictures pass before the Men of England, "heirs of glory," wherever in the wide world they be, even as visions unfold in the passing hours of slumber. To love a country, and love it very dearly, is not to be stone deaf to the loud trump of existing facts.

Through all the centuries long lines of unnumbered and now forgotten dead have marched forth from every village along every road and bye-way to do battle for this little sea-girt isle.

And amongst those men were Kings. Kings in reality—not figureheads. Kings who were English—not German. Kings who beckoned "Come"—not pointed "Go." Kings who said, "The place in front is mine"—not "The view from here" (a 100 miles behind) "is fine." Kings whose sceptre was a battle-axe—not a golf stick. Kings whose slogan of "Follow the King" meant follow him to the battlefield—not to the water-bottle.

REAL PATRIOTISM.

Beside the King rode the fighting barony of England, and behind them ye yeomanry from Kent and Devon and the hills of far Northumbria. There were men, as always, too old or fat to fight, and men, even then, whose thoughts on

money bent gave them no stomach for ye battle. But none escaped the sacrifice. None were permitted to dodge their share of the common burden. THOSE WHO DID NOT CONTRIBUTE THEIR BODIES CONTRIBUTED THEIR MONEY. ONE OR THE OTHER THEY HAD TO GIVE. Wealth as well as human beings were offerings upon the altar of country. No Shylock could make a profit from war—he got no interest. No trader could "engross" or corner the necessities of life—he got the hangman's knot. He was regarded as a traitor, and got a traitor's doom. And this was the law of the land for long centuries.

Thus it was that England for over a thousand years waged war at home and abroad—wars of aggression and defence—wars by sea and land—wars on Spanish Main and coasts of Tartary—wars against Armadas of old Madrid and fleets of the bold Van Tromp—wars in Normandy and Flanders—wars of Roses and of Roundheads—wars inside and outside, civil and foreign, somewhere, always—and yet she emerged from that thousand years of bloody strife free of debt, no harpies within her borders to gather interest from the blood of battle. GIVE YOUR LIFE OR GIVE YOUR MONEY. That was patriotism in the days when patriotism meant "love of country" and not a blood-sucking, money-lender's parody.

THE BLACK FLAG.

But times have changed. Dutch finance, a Germanised throne and capitalised industry are the marks of the transformation. Kings no longer go forth to battle, and Money no longer freely serves the Nation that protects it. Men may die, but Money makes no sacrifice. It looks upon bloody war as a rich gold mine yielding fat dividends for ever and ever without end. Human bloodsuckers, who risk neither life nor limb nor penny, wax fat on Armageddon. They constitute the "Money Power" that bestrides all countries, and makes all nations its slaves. It exercises political power under every form of government, making the world one wide dominion over which its black flag flies unchallenged.

* * *

The "Money Power" is something more than Capitalism. It is its product, and yet its master. "Capitalism," in its control of the great agencies of production, is observable and understandable. The other lurks in vaults and banking chambers, masquerading its operations in language that mystifies or dazzles. Industrial Capitalism may roll itself up into great monopolies in production and distribution. It cannot exist for an hour apart from the powers that hold the "Monopoly of the Instruments of Exchange." The men who to-day control the one control the other. In every land the one set of men have their hands on both levers. Profits are piled up in bank credits, re-invested, and re-invested until the field of industrial activity is exploited to its limit. Money, in the language of the market, becomes "plentiful" and "cheap." In other words, the industrial outlets are diminishing, and the rate of interest, the "reward of Capital," is falling. It will fall to zero. Something must be done—it is done. International hatreds are stimulated. People prepare for peace by grinding the axe of bloody slaughter. Armaments are demanded, loans are raised, and the right to levy perpetual tribute on the nation is given in return. Even this is insufficient to mop up profits as rapid as their accumulations.

RISING "CENTAGE."

So war comes. Any pretext suffices; but war must come. War swallows millions of the piled profits—interest rises. More millions of loans—higher and yet higher interest. Much rubbing of hands on the Stock Exchanges—3½ per cent. yesterday, 4½ to-day, and 5½ or 7 to-morrow. Men may rot on battlefields, but Money gathers an ever-increasing harvest of rich, ripe fruit.

Levy men? YES.

Levy money? NO! NO! NO! Gott in Himmel! That ish confiscation. We will lend it to you at much interest.

So the nation can levy men—but not Money. Men may die—Money lives. Men come back armless, legless, maimed and shattered—Money comes back fatter than it went, loaded with coupons, buttered with a perpetual lien upon the toil of the fathers and mothers and sisters and brothers of the men who died, that the nation might live. Where, in the name of God, is the "love of country" to those vampires who batten and grow rich on the rotting carcases of the world's humanity.

Bondlords and their Slaves.

> **"This war will make bondsmen of all of us, and the economic rule of the bondlords—the greatest oligarchy the world has witnessed—will become absolute."—**
> *Henry Slobodin in the "International Socialist."*

Great Britain, we are told. is now spending on the war £5,000,000 per day—or, over 1800 millions per annum. The national debt is already quadrupled. Taxation upon the populace will be correspondingly increased. The workers will be bondslaves to the "Bondholders." So will it be in Australia. Yet the more the banks lend the stronger grow their resources. They can lend ten, fifty, a hundred times the amount of gold in their vaults, and yet the gold remains—THE ONLY LIMIT ON "LOANS" IS THE CAPACITY OF THE PEOPLE TO CARRY THE LOAD OF INTEREST.

THE FAKERS.

The London "Economist" told its readers that the first 12 months of the war will cost the five great nations 3,500 millions. Two years will cost not less than 7,000 millions. THIS WILL IMPOSE AN ANNUAL INTEREST CHARGE OF OVER 300 MILLIONS PAYABLE TO THE INTERNATIONAL GANG, TO WHOM WAR MEANS MILLIONS OF ADDITIONAL INCOME AND UNENDING MISERY TO MILLIONS.

Where does this vast quantity of "borrowed money" come from? Where does it go to? How comes it that, after thousands of millions have been poured into the gutter that as much remains in the great b9 ks as before the war?

The 350 millions loan raised by the British Government draws back the curtain for those who have eyes to see.

Viscount St. Aldwyn, of the London Joint Stock Bank, told a group of London financiers:—

> "The British Government called into its Councils the representatives of the great banks, of the Stock Exchange, of the accepting houses; and, in fact, of all interests principally concerned."

And on the advice of those "principally concerned," the British Government floated its 350 millions loan at 4½ per cent., with the right of lenders to convert a corresponding amount of low-price loans into present price.

The "Economist" of June 26, 1915, points out that this privilege means an annual bonus of millions to the bondholders. It meant an annual increase in the interest on converted pre-war Consols, while holders of the 3½ per cent. War Loans will now receive interest at the rate of £5/4/9 per cent.

The loan is to be raised in instalments of 50 millions.

The first instalment went out in wages to soldiers and makers of requisites of war, passing along the channels of trade back to the banks for the next instalment. Thus the circle was complete. To the onlookers, there was a never-ending procession of cash. It is financial legerdemain. By it nations are deluded, defrauded and enslaved. Thus thousands of millions are loaned, yet as much remains in the vaults of the great banks as before the first penny was floated. With every new war loan the "rate of interest," the rate of blackmail, upon the struggling nationalities, is increased.

This financial pigeon-plucking scheme is now worked on the Australian public. It is dressed in popular garb. It has "democratic" and other such labels stuck upon it, but at the end the Australian toiler will find himself scaled of extra

millions per annum. The bulk will be in the pockets of the gang running the Australian money market.

THE LAST STRAW.

If one of the combatant parties in this great war does not speedily demonstrate its physical superiority, the demands of Shylock will be the decisive factor. It will not be the nation that can borrow the most money that will win, but the nation that can best bear up under the load that Shylock will impose or the nation that finances in such a manner as to be most free from his imposition.

The load of interest will be so great that the annual revenue will not be equal to the liquidation.

Every increase of taxation will tend to stifle the industries of warring nationalities. Neutral nations will be industrially advantaged. Already the balance of trade between the U.S.A. and Great Britain has been reversed.

The excess of U.S. exports over imports are now measured in millions per month, and the dailies of August 16, 1915, reported that for the first time in its history New York is the world's financial centre.

Britain can only prevent the flow of gold across the Atlantic by selling in New York its holding in American securities or by presenting American financiers with interest-bearing bonds, of which the first 20 millions has already been negotiated under the guidance of Pierpont Morgan. His syndicate takes the interest-bearing bonds, and squares the traders. This operation we shall see repeated again and again before the war is over. (c.)

This economic complication with neutral States hastens the end. New industries are developed outside the war zone. Trade finds new channels. The financiers of the fighting nations find the gold base of their financial fakery drifting away. It can only be stayed by paying interest to neutral nationalities on adverse balances. The profits made on war at one end are whittled away at the other. Then comes "stop the war" cry—not from Labor, but from the hired press of the financiers. Capital is said to be "exhausted." So obedient Governments get to work, terms of peace are arranged—war is at an end.

AFTER THE WAR.

The war over, and the people under the burden of millions of interest, profits flow once more into the channels of industry AT THE HIGHER RATES OF INTEREST CREATED BY THE WAR.

OUT OF THE WAR WILL COME FOR EVER ANNUAL DIVIDENDS IN THE SHAPE OF INTEREST UPON THE MONEY INVESTED IN BLOOD. FOR THIS THE PEOPLE MUST TOIL.

Out of the war will emerge two classes—Bondholders and slaves to the Bondholders.

Listen to Lord Inchcape, of the National Provincial Bank of England, Limited:—

> **"The heavy taxation in which Europe is involved to pay the interest on the money already borrowed, and on the hundreds of millions yet to be raised, will press heavily on the people. THEIR PURCHASING POWER WILL BE REDUCED AND THE STANDARD OF LIFE MUST BE LOWERED."**

"The purchasing power of the masses reduced?"—Yes.

"Their standard of life reduced?"—Yes.

All who come out of the war alive must be bled dry, that interest-mongering vampires within the nation may extract from the products of toil hundreds of millions per annum, and it is for this and for these that nations are thrown like dogs into the pit of mutual bloody slaughter.

The nations—British, German, French, Russian, Austrian, Australian—come back from the war doomed to toil and pay annual tribute, not to a foreign conqueror, but to a small exclusive moneyed clique within the nation—the Kings of the Kingdom of Shylock.

CONQUERORS AND CONQUERED.

These are the "conquerors"—these "Lords of Finance." Theirs be the "Unseen Empire." Beneath their yoke must men of all the nations tread. For them must workers "eat so little and toil so hard," even as did Gurth the thrall of Cedric the Saxon in the days that are old. We go not forward to the higher civilisation. We plunge backward into the Midnight of Despair, from which only the beacon of revolutionary action can give us light and guidance and deliverance.

Let us have equality of sacrifice. No death or human wreckage for one and perpetual profit for another.

Whosoever says that Money shall not serve in this crisis unless it earns the right of eternal tax upon the toil of the fathers and mothers and sisters and brothers of those who die—that man is a servant in the Kingdom of Shylock, the Kingdom without a boundary, in which gold is god—blood his glory—nations his victims, and governments under every name but instruments to his will.

Advice from the Vultures.

We grope for the wall like the blind
And we grope as if we had no eyes
We stumble at noonday as in the night
We look for judgment—but there is none
For salvation—but it is far from us

—*Isaiah* LIX.

The arms of Britain, France and Russia may be as triumphant as those of Rome in the days of its greatest glory—yet the workmen of all the combatant nations will emerge from the war steeped in such awful poverty, such abject slaves of Mammon, that they will wish they were dead.

Lloyd George, speaking in the House of Commons on May 12, 1915, said:—

"Distress, misery and wretchedness always follow a great war."

He went on to say:—

"The standard of life must be reduced."

Lord Inchcape, head of one of the great banking houses of Britain and of the Australian Sugar, Shipping, and Banking combination known as the Burns, Philp Co., said one of the results of the war would be—

"The standard of life must be reduced."

The English financial journal, "The Economist," in its issue of May 22, affirms that as an inevitable sequence of this war—

"The standard of life must be reduced."

Workingmen! You shall eat less—have poorer food—shabbier clothes—scantier furniture—fewer pleasures—and know more hardships than ever you knew in all your days and generation.

You want to know "Why?"

Is it not plain? If every year Shylock is to draw hundreds of millions more in interest from his investments on wasted lives and bloody slaughter, you who remain alive must slave for it and pay for it? All your days shall be "made bitter with hard bondage." That is your future, workingmen. That is what they mean when they say "THE STANDARD OF LIFE MUST BE REDUCED."

SHYLOCK AND SLAUGHTER.

"The Round Table," in its June issue, dealing with "War costs and their future effect," declares that this war will load the people of the five great nations with additional annual charges of 350 millions for interest and 100 millions for pensions for crippled soldiers and widows. After the war the people of Austria, England, France, Germany and Russia will have to pay £450,000,000 every year—mostly to Shylock, the investor in slaughter.

Lloyd George told the House of Commons (May 12, 1915), that, if this war lasted until April, 1916, the National Debt of England would not be less than £2,000,000,000, and the increased annual burden not less than £100,000,000—£100,000,000 more every year, mostly to Shylock for interest.

In Australia the interest and other charges arising from the war will be increased by not less than £10,000,000 more per year. (a)

The load of Commonwealth taxation will be trebled.

Productive and distributive costs will be augmented, prices will rise to the level of the increased costs, purchasing power will be correspondingly diminished. The returned soldiery thrown suddenly upon a depressed and dislocated labor market will engender amongst the wage-earners an agonising struggle for existence.

[(a) There is already a £5,000,000 per annum increase in taxation. In addition, there will be the interest on future loans. The war pensions will cost much more than the £500,000 so far provided. What is going to be done with the notes issued since the outbreak of war remains to be seen. The promise to redeem in gold at the end of the war cannot be kept. Whether converted into bonds or met by a process of gradual redemption, either process will constitute an additional annual charge.]

"Distress, misery and wretchedness always follow a great war."

Awful is the price the workers must pay, so that Shylock may get his bloody "shentage." He will draw blood from sweating brows and hungry mothers all the days that God gives them life. This war weakens the workers and strengthens the Money Bags. This war means misery for the toiler, and "much monish" for the bondholder.

This war makes the living worker a slave, and fills the treasury of Shylock full to overflowing.

SHYLOCK AND "SHENTAGE."

The little clique of "financiers" who control the banks, insurance societies, trustee and loan agencies of Australia, are going to make a fine harvest out of the "war loans." Their "shentage" will be their patriotism, and all they can make will be their "sacrifice." We are cutting the road wide and smooth for the passage of our own grown Morgans, Vanderbilts and Schneiders.

James Burns, Robert Philp, Adam and James Forsyth, J. T. Walker, J. R. Fairfax, of the Burns, Philp Combination; Levy, Cohen, and Moses, of the Sydney Gaslight Monopoly; W. C. Watt, Knox, Kater, Mackellar, Binnie, Buckland, Cowley, Reg Black, and Onslow Thompson, of the Sugar Squeeze; control the 250 branches of the Bank of New South Wales, the 200 branches of the Commercial Banking Company of Sydney, the Bank of North Queensland, the A.M.P., and nine-tenths of the Life, Fire, Trustees and Loan Agencies that operate in the two States of New South Wales and Queensland. These are the men to whom the nation is to be mortgaged, and to whom "Labor" Governments go for advice as to how best to do it.

The men who control the lead, tin, silver and copper output of the mines at Broken Hill, Mount Lyell, Cobar, Cloncurry, Chillagoe. Moonta, Wallaroo and Mount Morgan; who control Tasmanian copper, Pioneer tin and all smelting and refinery works in connection with the metallic products of this continent, are D. E. McBryde, W. L. Baillieu, Harvey Patterson, F. C. Hughes, James Harvey, M. C. E. Muecke, Ed. Miller, Frank Snow, Kelso King, R. G. Casey, Edward Fanning, J. L. Wharton, Bowes Kelly, and H. H. Schlapp (of Knox, Schlapp and Co.).

These men, either directly or through their associates and business dependents, control every bank that has its headquarters in Melbourne, and nine-tenths of the Life, Fire, Loan and Trustee agencies of this city. They dominate every loan floated in this country, every institution that operates in "loans," and when a National Government knows no way of serving a national purpose other than putting the rope of perpetual bondage around the neck of its people, then the Lords of the Money Market are masters of the nation. The Government stands in with the reactionary forces, the party loyally follows it, the people have their standard of life reduced. Shylock gets his "shentage." That is statesmanship. That is patriotism—on a paying basis.

BANKS AND BOODLE.

W. L. BAILLIEU is on Broken Hill, Cloncurry and Annam River tin directorates. He is on Dunlops and Amalgamated Zinc. He is on Mount Morgan with J. M. Niall, Kelso King and R. G. Casey. These, in conjunction with F. H. Snow and the German Jews (Aaron, Hirsch and Sohn)) constitute the Mount Kembla Electrolytic Smelters. Baillieu, with Edward Fanning of the N.Z. Loan, are local directors of the LONDON BANK OF AUSTRALIA. These two, with Carl Pinschof, are the dominating force in the Brewery Combine.

R. G. CASEY, chairman of Mount Morgan, and his co-directors not only control the Kembla Electrolytic, but they are Goldsbrough, Mort and Co. (J. M. Niall manager), linked up with Broken Hill interests through J. Sanderson and W. L. Baillieu.

BOWES KELLY, of Broken Hill Proprietary, Mount Lyell, Tasmanian copper, Emu Bay rails and Hercules tin, is the presiding genius of the COLONIAL BANK OF AUSTRALIA.

R. O. BLACKWOOD is on the Broken Hill Proprietary with Bowes Kelly, of the Colonial Bank, D. E. McBryde, of the Commercial Bank, and H. C. E. Muecke, of the Bank of Adelaide, and W. L. Baillieu, of the London Bank of Australia. He is also associated with T. F. Knox, of Dalgety's, and other financial agencies.

JAMES HARVEY, with M. C. E. Muecke, of Broken Hill Proprietary, and Peter Waite of British Broken Hill, with W. J. Young, A. J. Murray and Barr Smith, control Elders Trustee Limited, Elder Shenton and Co., and Elder, Smith and Co. The latter company, in combination with Beer, Sondheimer and Co., of Germany, constitute Elder's Metal and Mercantile Proprietary Limited. These men control Moonta copper, Adelaide shipping and the 90 branches of the BANK OF ADELAIDE. James Harvey is president of the three concerns—mining, shipping and banking.

On the first day of June 1916, the total issue of notes from the Commonwealth Treasury amounted to £43,850,000.

This is an increase since the outbreak of war (August 3, 1914), of £34,000,000.

Nearly all these additional notes are stored away in the bank vaults.

Of this enormous increase of note issue since the war consists of notes of £1000 denomination.

Prior to the war notes of such denomination were unknown. They are not in circulation. They never were in circulation. They are mere I.O.U's. given by the Government to the private bankers, and kept in cold storage.

In addition to these £1000 notes the banks hold notes of smaller denomination to the extent of 10 millions, making a total of notes held by the banks of £31,365,000 (as against £5,884,000 at the begining of the war).

THE INSTALMENT SCHEME.

And since War Loans are raised in instalments, not only will the vast majority of these notes remain with the banks, but whatever goes out will come back through the channels of commerce in time for the next payment.

Thus it comes about that the banks can, by the instrumentality of Government notes, continue to lend for ever and ever.

And what the banks do not do direct, they can do by the instrumentality of the subsidiary institutions and interlocked directorates.

And they hold the National Government in their clutches to the extent of 31¼ millions of non-interest-bearing notes.

And per medium of Commonwealth Notes the banks and allied interests will become possessed of millions of stocks and bonds at £4/14/4 per cent., plus exemption from the War Tax. (g.)

And upon these notes of the nation, not gold, will stand the vast superstructure of private banking credit.

The Commonwealth Government will get a temporary loan of its own notes—at a big fat price. The big fat price will be perennial and perpetual, and the notes will flow back to the banks ready for the next performance.

And after this is done the bank holdings of legal tender currency and the proportion of these holdings to total liabilities will be greater than before the war.

[(d) "War loans are facilitated by placing abundant supplies of credit and paper money at the disposal of the banks."—"Economist," Oct. 10, 1914.

PERKS AND PATRIOTISM.

Do you know what the first eighteen months of war did for the banking monopolists of Australia?

It increased the bank assets over all liabilities from £7,000,000, an increase in addition to distributed dividends—18 months of glorious war.

The banks will finance one loan after the other until the war is at an end, and at the end they will still hold the notes, and these notes can only be redeemed by a further issue of interest-bearing bonds.

By this subterranean method the Commonwealth notes are made the incubators of national impoverishment. After every "loan" float they will go out buccaneering, and come back to the harborage of the banks towing in their rear another pile of interest gouged from the vitals of industry. These piratical voyages will be repeated again and again.

That's Commonwealth Finance.

THE PLOTTERS.

The banks will not take up the whole of the loans.

1st. Because the directors of the banks, who are also directors of great mining and industrial companies, will want to come in to the plunder, not only in their capacity as bank shareholders, but as direct beneficiaries in the great divide.

And for this purpose they will drop into the banks they control every ounce of scrip and security upon which they can lay their fingers, either as owners or trustees, and get advances upon terms fixed by themselves, so that it leaves for the bank an appearance of legality—security for currency—and for themselves a good margin of profit between the cost of the advance and the price of the loan. (e.)

Or, if their securities are not proportional to their voracity they will give themselves whatever additional credit desired, purchase bonds, deposit bonds as security for advances, and collect their margins.

Then their names or the companies and corporations that are theirs in everything but name will be paraded in the press as the names of the patriots whose "patriotism has been stimulated"—by a good percentage and promise of remission from the War Tax.

[(e) Funds wherewith to subscribe to the War Loan can be obtained by pledging investments for paper money."—"Economist," Oct. 10, 1914.]

under Government guarantee, the means comes with which to subscribe for national loans."—"Investors' Review," Oct. 24, 1914.]

"Out of this great mass of credit, created

Perks and Patriotism.

"The Great War will be long remembered for other things besides the destruction of life and the reconstruction of the map of Europe. On the financial side the most notable event is the universal abandonment of the gold standard, not openly admitted, but described in the kind of language familiar from the bulletins of defeated armies."

—"*Quarterly Review*" *April, 1915.*

Did you read in the daily press of July 30 that Herr Baer, in reply to an interviewer, said:—

There are more Broken Hill and Mount Morgan shareholders in Germany than in Great Britain.

Do you remember that William Hughes (Commonwealth Attorney-General) has told the Australian public that the directors of these great mines are in close and intimate relationship with Herr Baer and his Germanic metallic "octopus"?

Do you remember that these same men control Associated Smelters, the Electrolytic, Goldbrough, Mort's and a hundred other industrial and financial institutions on this continent?

Do you remember that these men, with their compatriots on the Sugar Trust and Gaslight Monopoly, are the controlling influence in the banks, insurances and loan agencies of this country?

And it is to these men that the Labor Government goes for ideas on how to save the nation.

Salvation through the pawnshop.

And when you have mortgaged your soul and assigned your offspring to bondage, you are asked to console yourself with the reflection that you have stimulated in the pawnbroker "the most lofty sentiments of patriotism."

At £4/14/4 per cent.—patriotism!

Plus a remission of taxation equal to another ten shillings per cent., making £5/4/4 per cent. (e.)

That's patriotism!—mit interest.

There is created a class of bondholders who draw interest and pay no tax to either Federation or State, and a bondslaved mass who toil to pay interest to those who pay no tax.

That's a great national policy—so great that the highest commendation we can give is that Torydom applauds it (c.)

That's "sound finance"—because it is born of the "advice" of the bitterest enemies of Labor and of everything for which the Labor movement stands.

OUR "ADVISERS."

When the war broke out the British Government gave the bankers nationally-backed notes on the basis of securities deposited, and then raised loans on the currency created.

In Australia, under a Labor Government, we are working on similar lines. Everything we do to-day is on the "advice" of bankers and stockjobbers. At their feet we kneel for wisdom, and at their instigation we walk along the paths that they select.

[(b) The financial editor of the "Herald" (Aug. 9) works out the value of the War Loan to big investors as worth £5/10/- per cent. He works out the bonus of £342,000 (given to bondholders in excess of interest) as equal to an annuity of 4/2 per cent.—the exemption from State Income Tax at 1/- in the £ on £2000 as worth 4/6 per cent., and exemption from the Federal Income Tax at 2/6 in the £ as equal to a gift of 11/3 per cent.]

[(c) The "Argus" of July 16, 1915, said:—No one can accuse the Federal Labor Government of lack of deference to the wishes of the Imperial authorities. . . . The fact that the Federal Treasurer has conferred with leading bankers, and others versed in financial operations, is a guarantee, etc., etc., etc."]

D. E. McBRYDE, of Broken Hill Proprietary, Block 10, Cope Creek Tin, is chairman of THE COMMERCIAL BANK OF AUSTRALIA.

HARVEY PATTERSON, Broken Hill Proprietary, Block 10, Block 14, Pioneer Tin, Chillagoe, Cloncurry and Mungana copper, associate and co-director and bosom pal of all the financial advisers of Labor.

ED. MILLER, who sits on Pioneer tin with Harvey Patterson (Broken Hill magnate) controls all sorts of Life, Fire and Re-Assurance Agencies. He is chairman of the BANK OF VICTORIA.

JOHN GRICE, with Hugh Strachan and Newman Barker, controls the NATIONAL BANK OF AUSTRALIA. Grice is chairman of the Trustees, Executors and Agency Co. Strachan, with Bowes Kelly, controls the Union Trustees. Edward Fanning, who, with Baillieu co-local director of the London Bank, is chairman of the Equity Trustees, and, with Newman Barker and John Grice, controls the N.Z. loan. These again control "Dunlops," and, with Baillieu and Pinschof, constitute "United Breweries."

SEEKING ADVICE.

The control of this group over the banking, insurance and mercantile loan agencies of the southern States is every day drawing nearer to unlimited and unrestricted monarchy. This group, in conjunction with the Sydney section, constitute the financial backbone of every ring, trust, combine and price-raising monopoly on this continent. Their control of a long chain of banks, of currency, of the people's savings in every form, furnishes them with facilities to "finance" every industrial depredation, every market manipulation, every glittering confidence trick of which the multitude are victims.

It is to these monopolisers of land and products, to these mining magnates and stockjobbers and market-riggers to these manipulators of banks and insurances, to these dear friends of Beer, Sondheimer and Aaron Hirsch, that a Government of Labor goes for "advice."

Why not go to land monopolists for advice on a land policy?

Why not go to the slum landlord for advice on housing?

Why not consult sweaters on sweating—prigs on prigging—whores on prostitution—and establish codes of virtue, honesty and decent standards of life, according to their ideas and their "advice"?

THE MARKET RIGGERS.

Yet to men who traffic in money as sweaters in sweat, and monopolists in monopoly, we go for advice on how to finance a continent; on their "advice" we act; and we pretend it is a financial policy favorable to the multitude. That's Labor government in the year 1915.

You can understand these things being done by a gang of Tories.

But what the Labor Government is doing financially is exactly what W. L. Baillieu, Bowes Kelly, John Grice, Harvey Patterson, Ed. Miller, Jim Harvey and the rest would do if they were in power.

They have no need to be in power. The Labor Government is acting on their advice. Anybody can have the halo and the limelight so long as they draw "shentage."

We'll lend you the money, gentlemen. Give us a high rate of interest and guarantee our "shentage" free from war tax.

And this proposal, so prompted, is promoted and pushed through by a Government and a party designated "Labor."

And if you ask why one section should give its life, another be perpetually taxed, and another not only be free of the tax, but draw perpetual bloody interest from the toil of the survivors, you are told you do not understand, that you are a crank, an erratic, a luny, that the loan loot is "popular"—"democratic"—subscribed to by all classes—old maids, poor widows, etc., etc.

These be brought in to give an air of generosity to robbery. Everybody can come along, but the few big vultures will tear off more in one bite than a million flies.

And we go to vultures for advice. Good business—for the vultures.

THE GULLS.

And the second reason why the banks will not take up everything is because the process must be hidden, the plunder cloaked, the public deluded. The loan must be "popular" and "democratic." Everybody must be invited to participate. The thousands who get one-tenth will be hailed as proofs of the "national response." The ten who take nine-tenths of the pudding will be forgotten in hosannahs at the "great success."

But whether it be the banks direct, or the men who control them, or their subsidiary institutions, or the little host of petty subscribers, every transaction will be the cheque drawn on the private bank, forwarded to the Commonwealth Bank, entered up to the credit of the Commonwealth Government.

And if the Commonwealth Bank desires to transform the mass of cheques in its possession into cash, all it can draw from the private banks will be Commonwealth Notes, for such notes are legal tender to all persons and institutions outside the Commonwealth Treasury.

But not a note or an ounce of gold will shift its location. When the Government gives Brown a cheque upon the Commonwealth Bank for a million, he will take it to his private bank, and have it entered to his credit.

That bank will say to the Commonwealth: "That's a million less we owe you on the loan account." If Brown wants cash he will get Commonwealth notes, but notes will not trouble him—drawing cheques are easier and safer.

Thus, whether it be the banks direct, or the directors, or their subordinate institutions, or the general public brought in as a cover; whatever the process—direct, or circular—the manipulation of loans will be in the hands of the private banks on the basis of gold nothing, notes 1 per cent. and cheques for the balance.

THE VICTIMS.

And for this financial fakery, and because it is the accepted fakery of our times, and because we have not the courage to break with it, the nation is to be looted to the extent of millions per annum.

We are told that national bonds given to the Commonwealth Bank as security and backing for a non-robbery cheque currency would be academic folly.

But those same bonds given to private bankers in return for their cheques, or for Commonwealth notes, is said to be "sound finance"—on the advice of the bankers.

And the cost is millions per annum.

That's where we stand to-day.

And Samson the toiler is to be brought to Gaza bound with fetters of brass and made grind in the prison home.

CURRENCY AND BANKING.

Sir Robert Giffen, the author of "Financial Essays," said:—

> **"As long as the attention is riveted on, not the real currency paper, but upon its assumed basis—gold—correct conclusions upon currency questions are impossible."**

The writer on "Currency" in the "Encyclopedia Britannica," says:—

> "The idea of the intrinsic value of money is discarded by all persons conversant with the working of the modern mechanism of exchange."

Frederick Temple in "Interest, Gold and Banking," says:—

> "The growth of the cheque system has had the effect of transforming the character of banking."

Sir Felix Schuster, president of the Smith's and Union Bank of London, said:—

> "The theory of banking is one thing—the practice is quite another. Banking has evolved far beyond the theory on which it is supposed to be conducted."

And in a speech, reported in the "Banking Record" (September 21. 1914), he said:—

> "The currency of the country is supplied by cheques instead of, as the Bank Act intended, by Bank of England notes."

The financial writer, McLeod, says:—

> "Cheques are currency in the same way as notes."

SECURITY AND CIRCULATION.

The "Round Table", in its article on "Lombard Street in War," says:—

> "The amount of securities deposited in British banks are worth over £1,000,000,000. Against these securities cheques are drawn. Behind these cheques there is not one ounce of gold—the only security is the security deposited by the drawer of the cheque."

In Australia, the bankers, in addition to floating mortgages upon the gold in their possession, have issued—at interest—rights to draw cheques upon the banks to the extent of over £100,000,000. Behind these cheques there is not one ounce of gold—the only security is the security deposited by the drawer of the cheque.

* * *

That's modern banking.

* * *

"LOANS" are given by means of credits.

CREDITS are given in the books of the banks to those who deposit securities.

CHEQUES are the paper instrumentalities by which credits are transferred and wealth monetised. Every transaction is a transfer of the ownership of deposited security.

And if private banks are privileged to issue cheques and draw interest upon the security of deposited bills and bonds and deeds, the Commonwealth Bank should be equally privileged.

COMMONWEALTH POWER.

The Commonwealth Bank can, and should, issue currency upon the bonds and securities that represent the taxing power of the Nation over all the wealth of the Australian continent.

By so doing the Nation would be saved the enormous interest that will now be paid to private institutions.

But the National Parliament, of whom a majority are Labor men, has declared by an almost unanimous vote that the present banking monopoly shall stand untouched, and that the Nation shall continue to pay annual tribute to Shylock.

There are men in Parliament who loudly protest against rings, trusts and combines, who grow pathetic over the iniquities of land monopoly, yet regard any suggestion of Currency Reform, or any interference with private banking monopoly, as a sign of insanity.

In this matter the majority of Labor men are as rabidly Tory as the Tories. In this direction whatever is is best, and better is impossible. In this direction money and monetary institutions manipulated by capitalists for capitalists in the interests of capitalists constitute perfection—the last word has been said, the last act of progress has been consummated.

Thus it comes about that, although a majority of Laborites sit in Parliament, and although in the direction of Currency and Banking Reform the National Parliament has unquestioned and unrestricted power, nothing is done, no progress is made, no remedial policy is propounded. It even refuses to push forward the banking proposals propounded by the conferences, and makes them dead letters on the programme.

Yet the Banking Monopoly is the greatest monopoly on this continent. It is the fortress and buttress and financial arsenal of every industrial and commercial ring, trust, combine and price-raising conspiracy on this continent.

And the Labor party, with unlimited power, refuses to touch it.

the dogmas, formulas and incantations of the superstition they profess to have discarded.

It was King O'Malley who, in a manifesto to the electors of Darwin in 1914, said:—

> "The private banks are chiefly used for the solidification of the great trusts and combines."

It was the Labor manifesto of 1910 which declared:—

> "Banking is one of the frauds by which capitalism bleeds the people."

To-day we declare this fraud to be one of the instruments of national salvation, and to these "frauds" national treasurers offer up hosannahs and thanksgivings.

MASSEY GREENE.

The man who put up a solid argument against the proposition was Massey Greene, from Richmond (N.S.W.).

He admitted in reply to a query from J. H. Catts that the proposition was sound if there was one great nationally constituted banking system.

But we were faced with existing facts, and he alleged that, under the conditions with which we are now confronted, the emission from the Commonwealth Bank of a cheque currency, based on Commonwealth Bonds, would be unworkable and end in disaster.

He said: "The Bonds will be deposited, the credit will be given, the Government will draw cheques on the Commonwealth Bank, the persons to whom they will be given will deposit them to their credit in private banks, the private banks, through the clearing house, will present the cheques, the Commonwealth Bank will be unable to pay, it will go insolvent, the end will be disaster."

The answer is:—

All that the Commonwealth Government need to do is to place the private banks in the same relationship to the Commonwealth Bank as are the private banks in England to the Bank of England.

THE WILL AND THE WAY.

The relationship is set forth in the reports of the U.S.A. Monetary Commission. It is stated in the words of Sir Walter Cunliffe, governor of the Bank of England, in his evidence before the Commission. It is as follows:—

> "Private banks holding drafts on the Bank of England must present such drafts direct to the Bank of England to be PAID TO THE CREDIT OF THEIR ACCOUNT."

Every private bank in England is compelled to accept whatever is owing to it by the Bank of England in the shape of a deposit receipt on the debtor institution.

Every private bank can settle its adverse balance with other banks by a transfer of its credit in the Bank of England, but in the Bank of England the credit remains. Thus the power of private banks to cripple, trammel or make insolvent the bank of the nation is made impossible. In England this practice has been evolved, and is applied by bankers for bankers, for their mutual protection, to prevent one private bank getting to the Central Bank to the detriment and undoing of other banks.

In most countries the Central Bank, no matter by whom owned, exists as an essential part of the capitalist structure. It is an institution existing for the profit-making purposes of financial magnates and market riggers. It is the agency by which State aid and national credit is secured for private institutions whenever required.

In Australia, under a Labor Government, the Commonwealth Bank is a mere addition to the private banking system. It should be made the great Central Bank. All others should be subsidiary to it. It should be the Bank of the Nation in fact as in name. It should be a financial fortress for national advantage. In this direction the National Parliament has unlimited and unrestricted powers.

MONEY TRUST GOSPEL.

The bankers of the world no longer believe that a national currency, sound and solvent, need be convertible into gold, or that it can be so converted. They only want the public to believe it. They only want Governments to trade in their interest on the general superstition. They know full well that **a currency convertible into all the commodities that gold will buy is good currency and sound money.**

The bankers know that an adequate currency backed by gold alone is impossible. They know that the solid assets of the nation constitute an adequate backing for any medium of exchange largely in excess of any that could be required for national or private commercial purposes.

Yet in Australia a Labor Government declares that a currency issued from the nationally-owned bank upon the basis of national securities in the shape of National Bonds is no good, is unsound, is "a peanut currency," and it gives those Bonds to private banks for them to issue a currency thereon and extract fat dividends therefrom.

The Will and the Way.

The evolution of the Means of Exchange which we are witnessing is leading us, after the well-defined periods of barter and money, to a system of mere clearing of balances. And a National Bank, if it is to be a truly "National" institution, must control credit or fail in its duty.

—National Monetary Commission, Document 494.

When the First War Loan was under discussion in the House of Representatives it was proposed as an alternative to the scheme of perpetual annual robbery:

"That Bonds be deposited in the Commonwealth Bank, and that the bank place the Commonwealth Government in credit to the value of the Bonds deposited—less cost of administration."

This gave the Commonwealth Bank security for currency issued.

Blood money in the shape of interest would be avoided.

Australian industries and Australian workmen would be saved from the annual indemnity to Shylock.

All that would remain would be the net cost of the war.

This cost could be spread over 30 or 40 years by annual repayments to the bank in gradual redemption.

The currency would be a cheque currency, and the further issue of notes would be unnecessary. Bonds in the Commonwealth Bank would enable the Governor to deal with existing Commonwealth notes in the most effective and economical manner.

BONDS AND NOTES.

When "money" was "plentiful" and seeking investment, bonds could be sold at the higher price. When money was "short" and security-holders anxious to realise, bonds could be bought at the lower price.

The Bonds would only carry interest during the period, and to the extent that they were held by the public, and even that cost would be minimised, if not obliterated, by the profits made at the buying and selling ends.

Thus not only would there be a financial advantage to the bank and to the nation, but the public convenience would be served, the market steadied, and note depreciation made impossible.

Thus the Commonwealth Bank would be what a great national bank should be—the supreme bank—the bank to which all others are subordinate—the regulator and controller of currency—the agent of national benefit and not of private gain.

Only three men voted for this proposition. The other Representatives stuck solid for the measure, that means a never-ending annual indemnity to the Bondholders, a never-ending tax upon industry, a never-ending pressing down of the means of life for the men who toil.

* * *

Labor and Liberal were welded together in the holy bonds of political and financial matrimony.

THE GRIP OF SUPERSTITION.

King O'Malley—after explaining that banking business is a system of cross entry—of credits and debits—currency nine-tenths cheques—negotiable security the solid rock of effective issue—so-called "deposits" mainly a record of "loans"—that when a man borrows from a bank he is credited as a "depositor"—that as a result the more a bank lends the more do its "deposits" grow—suddenly changed over, and said what was, was not; and what was being done was not possible.

He said a bank with 11 millions "deposits" couldn't "lend" 20 millions, although he has been saying for years that so-called "deposits" are mainly a banking term reflecting the value of "deposited securities." This being so, it follows that, when the Government deposited 20 millions of securities in the Commonwealth Bank to get credited with the right to draw cheques on the bank to that amount, then the so-called "deposits" in the Commonwealth Bank would jump from 11 to 31 millions.

The human paradoxes who give adherence to a new faith repeatedly forget themselves, and unconsciously lisp

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